

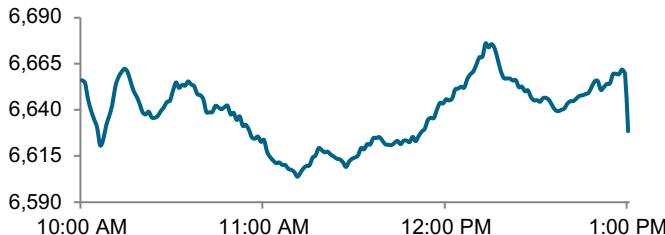
DAILY MARKETS OVERVIEW

11 MAY 2020

السعديه الفرنسيه كابيتال
Saudi Fransi Capital
Distinguished Service, Outstanding Performance



TASI Intraday



Source: Reuters

Saudi Stock Indices

Index	Last Close	1 Day %	WTD %	YTD %	PE (TTM)
Saudi (TASI)	6,683	0.8	0.8	-20.3	18.4
Saudi (NOMU)	6,943	3.3	3.3	-6.7	NA
Energy	4,720	0.5	0.5	-13.3	20.6
Materials	3,969	1.3	1.3	-23.2	47.0
Capital Goods	3,401	1.8	1.8	-21.5	23.0
Com. & Prof. Svc	3,413	0.7	0.7	-28.5	12.0
Transportation	3,240	0.1	0.1	-26.3	15.6
Cons. Durables & Apparel	3,077	2.1	2.1	-12.2	NA
Consumer Services	3,003	0.7	0.7	-24.1	28.3
Media	6,974	0.5	0.5	-25.8	21.6
Retailing	6,229	-0.9	-0.9	-19.1	NA
Food & Staples Retailing	7,614	-2.8	-2.8	15.1	NA
Food & Beverages	4,450	0.6	0.6	2.2	36.9
Health Care Equipment	3,551	1.9	1.9	-4.8	24.1
Pharma, Biotech & Life Science	3,674	2.0	2.0	2.2	NA
Banks	6,007	1.3	1.3	-25.9	10.9
Diversified Financials	2,784	0.4	0.4	-15.7	NA
Insurance	4,085	0.2	0.2	-9.5	38.3
Telecommunication	5,867	0.3	0.3	-9.4	20.6
Utilities	3,427	1.2	1.2	-22.1	NA
REITs	3,557	0.4	0.4	-15.3	19.3
Real Estate	2,437	-0.8	-0.8	-22.2	NA

Sources: Bloomberg, Reuters, Tadawul

Top 5 Gainers

Company	Last Close	% Change	Value (SAR mn)
Saudi Marketing Co.	23.10	10.0%	59
Gulf Union Cooperative Insurance Co.	12.98	10.0%	14
Baazeem Trading Co.	45.00	6.4%	30
Saudi Ceramic Co.	29.65	5.9%	65
Al Hammadi Co for Development & Investment	19.90	5.9%	58

Source: Tadawul

Latest Earnings

Company	Date	Period	Q NI (SAR mn)	Y/Y %	Q EPS (SAR)	Vs. Consensus
Arabian Cement	10-May	1Q20	45.1	22%	0.45	NA
Nadec	10-May	1Q20	18.2	596%	0.18	NA
SACO	10-May	1Q20	11.7	-39%	0.33	NA
City Cement	7-May	1Q20	70.5	70%	0.37	NA
SRMG	7-May	1Q20	64.7	-19%	0.81	NA

Source: Tadawul

NOTES: (1) Prices as of last trade. Updated as of May 11, 2020

(2) WTD: Week to Date and YTD: Year to Date

Saudi Market Update

- TASI closed 0.8% higher at 6,683 while NOMU gained 3.3% to 6,943 on Sunday. TASI traded value totaled SAR 2.7bn and averaged SAR 4.2bn over the last 30 days. The five most active stocks (by value) in TASI accounted for 27.4% of the daily traded value.
- MSCI Emerging Markets was closed for trading on Sunday.
- Banks and Materials gained 1.3%. Telecom closed 0.3% higher. Cons. Durables & Apparel (up 2.1%) was the best performing sector. Among stocks, Saudi Marketing Co. (4006/SMARKETI AB), Gulf Union Cooperative Insurance Co. (8120/GULFUNI AB), and Baazeem Trading Co. (9503/BAAZEEM AB), led the gainers.
- The government is suspending the cost of living allowance and raising the value added tax threefold, as part of measures aimed at shoring up state finances. The cost of living allowance will be suspended as of June 1, and the value added tax will be increased to 15% from 5% as of July 1. The government also aims to reduce expenditure by SAR 100 bn. (Source: Reuters)
- According to Yamama Cement Co. (3020/YACCO AB), the aggregate sales of 17 Saudi cement producers declined 29% to 2.86mn tons in April 2020, compared to 4.02 million tons in the same month last year. (Source: Argaam)
- Arabian Cement Co. (3010/ARCCO AB) reported a 22% profit jump Y/Y to SAR 45.1mn (USD 12.1mn) in 1Q20, driven by higher sales volumes as well as increased revenue. The company also cited lower general and administrative expenses (G&As) and lower losses from company's operations in Jordan. (Source: Argaam)
- Saudi Company for Hardware (4008/SHC AB) reported a net profit after Zakat and tax of SAR 11.7mn (USD 3.1mn) for 1Q20, a 39% Y/Y decline, compared to SAR 19.2mn (USD 5.1mn) in the same period last year. The company cited lower sales due to partial closure of stores amidst COVID-19 measures and less promotional activities, higher selling and marketing expenses, lower other income, and higher finance cost related to lease liabilities and Zakat expenses for decline in profits. (Source: Argaam)
- Saudi Paper Manufacturing Co. (2300/SPM AB) submitted a request to increase capital through a SAR 100mn (USD 26.6mn) rights issue to the Capital Market Authority (CMA). The company appointed Al Wasatah Al Maliah Co. (Wasatah Capital) as financial advisor for the offering. (Source: Argaam)

Top 5 Losers

Company	Last Close	% Change	Value (SAR mn)
Arab Sea Information System Co.	28.70	-5.1%	44
Saudi Fisheries Co.	36.10	-4.8%	11
Abdullah Al Othaim Markets Co.	93.80	-3.4%	16
Zamil Industrial Investment Co.	15.18	-3.3%	13
Herfy Food Services Co.	41.00	-2.4%	9

Most Active Stocks by Value (SAR mn)

Company	Last Close	% Change	Value (SAR mn)
Dar Alarkan Real Estate Development Co.	7.14	-0.8%	252
Al Rajhi Bank	53.90	0.6%	193
Alinma Bank	14.70	1.0%	142
The Saudi Arabian Oil Company	31.15	0.5%	88
Saudi Basic Industries Corp.	71.70	1.3%	77

Source: Tadawul

DAILY MARKETS OVERVIEW

11 MAY 2020



GCC Stock Indices

Index	Last Close	1 Day %	WTD %	YTD %	PE (TTM)
Dubai (DFM)	1,902	-1.1	-1.1	-31.2	7.3
Abu Dhabi (ADX)	4,119	1.4	1.4	-18.9	12.2
Kuwait (KSE)	4,791	-0.8	-0.8	-14.3	22.4
Qatar (QE)	8,907	1.2	1.2	-14.6	14.0
Oman (MSM)	3,469	-0.4	-0.4	-12.9	8.3
Bahrain (BSE)	1,268	-0.9	-0.9	-21.2	8.8
DJMENA Index	472	0.4	-4.0	-22.1	NA

Source: Bloomberg, Reuters

Global Stock Indices

Index	Last Close	1 Day %	WTD %	YTD %	PE (TTM)
US (S&P 500)	2,930	1.7	3.5	-9.3	19.8
US (NASDAQ 100)	9,121	1.6	6.0	1.7	34.0
UK (FTSE 100)	5,936	0.0	3.0	-21.3	19.6
Germany (DAX)	10,904	1.3	0.4	-17.7	19.7
France (CAC 40)	4,550	1.1	-0.5	-23.9	17.5
Russia (MICEX)	2,642	0.3	-0.3	-13.3	6.7
Japan (Nikkei)	20,179	2.6	2.9	-14.7	NA
Hong Kong (HSI)	24,230	1.0	-1.7	-14.0	10.1
South Korea (KOSPI)	1,946	0.9	-0.1	-11.5	NA
China (SHCOMP)	2,895	0.8	1.2	-5.1	14.9
India (NIFTY)	9,252	0.6	-6.2	-24.0	18.4
Brazil (IBOV)	80,263	2.7	-0.3	-30.6	15.3
Turkey (BIST 100)	97,845	-0.6	-3.2	-14.5	7.8
Egypt (EGX30)	10,177	0.0	-3.6	-27.1	NA
MSCI Emerging Markets	912	1.6	-0.6	-18.2	13.5
MSCI World	2,062	1.8	2.8	-12.6	19.0

Source: Bloomberg, Reuters

Commodities Prices

Index	Last Close	1 Day %	WTD %	YTD %	1 Year %
Brent Crude (\$/bbl)	31.0	5.1	17.1	-53.1	-56.0
Natural Gas (\$/mmbtu)	1.8	-3.9	-3.7	-16.9	-29.6
Gold (\$/oz)	1,703	-0.8	0.1	12.2	32.6
Silver (\$/oz)	15.5	0.9	3.4	-13.3	4.9
Platinum (\$/oz)	772	0.6	0.7	-20.2	-9.1
Copper (\$/t)	5,274	0.6	3.8	-14.2	-13.4
Zinc (\$/t)	2,004	0.1	5.2	-12.1	-26.0
Lead (\$/mt)	1,620	0.0	2.3	-15.8	-12.7
Wheat (\$/bu)	522	-0.1	1.1	-6.6	8.7
Corn (\$/bu)	319	0.4	0.2	-17.7	-20.8
Sugar (\$/lb)	10.3	-0.4	-6.2	-23.3	-23.2

Source: Bloomberg

Interest Rate Watch (3M Interbank Offer Rate, %)

Country	Last Close	1 Day Change	YTD Change	Spread*
US	0.43	-0.01	-1.47	0.00
Saudi Arabia	1.17	-0.02	-1.06	0.73
UAE	0.86	-0.40	-1.35	0.43
Kuwait	1.75	0.00	-1.00	1.32
Qatar	1.21	-0.03	-1.04	0.78
Bahrain	2.23	0.05	-0.43	1.80

Source: Reuters

NOTES:(1) Prices updated as of May 11, 2020(2) WTD: Week to Date; YTD: Year to Date; NA: Not Applicable, *Spread = US 3M Rate – Country 3M Rate

GCC & Global Markets Update

- Global markets were closed for trading on Sunday.
- Asian markets are trading mostly higher on Monday. China and Japan are up 0.1% and 1.4%, respectively. South Korea is trading 0.4% lower. Hong Kong and India are trading 2.0% and 1.4% higher, respectively, in the morning session.
- GCC markets ended mostly lower on Sunday. Dubai decreased 1.1%, while Abu Dhabi increased 1.4%. Kuwait closed 0.8% lower, while Qatar closed 1.2% higher. Oman and Bahrain were down 0.4% and 0.9%, respectively.
- According to S&P Global Ratings, rated GCC banks could absorb up to a USD 36bn (SAR 135bn) shock in additional credit losses before starting to deplete their capital base. This corresponds to 2.7 times more the average normalized losses for the sector in the region. (Source: Trade Arabia)
- According to the Gulf Petrochemicals and Chemicals Association, GCC ethylene glycol (EG) exports to India may be severely hurt as a result of an ongoing anti-dumping investigation targeting imports from KSA, Kuwait, Oman, UAE and Singapore. (Source: Trade Arabia)
- According to Central Bank of the UAE, the total foreign assets of the UAE's banking system increased by 2.6% or AED 20.5bn (SAR 20.9bn) to AED 791.6bn (SAR 808bn) in 1Q20, compared to AED 771.1bn (SAR 788bn) in December 2019. (Source: Decypha)
- Sharjah issued a law on the expropriation of real estate for the public benefit in the Emirate of Sharjah. The new law stipulates that property may not be expropriated except in the public interest and in exchange for fair compensation; in accordance with the law's provisions. (Source: Trade Arabia)
- The Industrial Development Bureau (IDB) of the Abu Dhabi Department of Economic Development (ADDED) has announced that a further nine high-risk industrial entities have had their Occupational Safety and Health Management Systems (OSHMS) approved in compliance with the Abu Dhabi Occupational Safety and Health System Framework. (Source: Trade Arabia)
- The Dubai Silicon Oasis Authority (DSOA) announced that it is waiving nearly AED 20K (SAR 20.5K) worth of start-up fees for new businesses. The authority said it will also provide a one-month grace period for new companies. (Source: Zawya)
- Kuwait National Petroleum Company (KNPC) has readied the land for the construction of the first of three temporary residential complexes being built in the country for expatriate workers. On completion, these three residential complexes will be able to accommodate a total of 8,332 workers. (Source: Trade Arabia)

Coming Up

- US EIA Petroleum status report on weekly change in crude oil inventories for the week ended May 8 (prior: +4.6mn barrels) will be announced on May 13. (Source: Trading Economics)
- UK's Industrial Production for March 2020 (prior: 0.1% Y/Y, -2.8% Y/Y) will be announced on May 13. (Source: Trading Economics)
- US jobless claims for the week ended May 9 (prior: 3.2mn; consensus: 3.0mn) will be announced on May 14. (Source: Trading Economics)



Contacts

RESEARCH & ADVISORY

Research&Advisory@FransiCapital.com.sa

SAUDI FRANSI CAPITAL

Call Centre

800-125-9999

Website

www.sfc.sa

SAUDI FRANSI CAPITAL (CLOSED JOINT STOCK COMPANY OWNED BY BANQUE SAUDI FRANSI)

Licensed by the Capital Market Authority to conduct all securities business activities. license Number 11153-37

C.R. 1010231217 - Paid Up Capital 500,000,000 S.R.

Head Office: 8092 King Fahd Road - Riyadh 12313-3735 - Kingdom of Saudi Arabia

Mailing Address: P.O. Box 23454 - Riyadh 11426

Tel: +966 11 282 6666 - Fax: +966 11 282 6667

Disclaimer

The information in this report was prepared for the purpose of viewing public information only. This information was gathered in this report from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts, the forecasts, and expectations contained in this report are accurate. Saudi Fransi Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Saudi Fransi Capital is not to be held responsible if the information in this report is not complete or free from any error.

This report is not to be construed as, an offer or solicitation of an offer to buy or sell any financial securities or adapt an investment or trading method. Saudi Fransi Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents.

This report provides information of a general nature and is not intended to provide investment advice and does not take into account the reader's financial situation or any specific investment objectives which the reader may have. Before making any investment decision, the reader should seek an independent advice from his financial advisor because the investment in such kind of securities may not be suitable for all.